## Credit Cards and Taxicabs in Cambridge Frequently Asked Questions

#### Does every taxicab in Cambridge accept credit cards?

No. The License Commission has not mandated that all taxicabs accept credit cards; however, taxicabs are expected to properly disclose accepted payment methods to passengers, preferably by posting a sign. *Please note: this includes disclosing whether the taxicab only accepts cash as its preferred payment method.* 

#### Can I be assessed a surcharge or additional charges if I choose to use a credit card?

No. A surcharge is specifically prohibited by Massachusetts General Law. Pursuant to MGL c. 140D § 28A(a)(2), no seller in any sales transaction may impose a surcharge on a cardholder who elects to use a credit card in lieu of payments by cash, check or similar means. In addition, a taxicab driver shall also not demand more than the fare recorded on the taximeter, including appropriately assessed taxi service related surcharges, or established flat rates by the License Commission.

### Can a taxicab set a minimum charge for the use of a credit card?

Yes. Section 1075 (b) of the Dodd-Frank Consumer Protection Act allows for the establishment of a minimum charge as long as such minimum dollar value does not exceed \$10.00 nor differentiate between issuers or between payment card networks. Such a minimum is expected to be **clearly and conspicuously** disclosed to a potential passenger, preferably by posting a sign.

# Can a medallion owner, lessor, manager or radio service charge a processing fee to a Hackney Carriage Driver?

Yes. A medallion owner, lessor, manager, or radio service may charge a Hackney Carriage driver a maximum fee of 5% for processing credit card transactions. The medallion owner (or Lessee in a medallion –only lease) may not charge any fee for that portion of the fare due to tolls, tips, or fees. If the medallion owner (or Lessee in a medallion only lease) chooses a source of the required equipment that charges less than a 5% fee, only that amount actually paid by the medallion owner (or Lessee in a medallion-only lease) may be charged to the Hackney Carriage driver.

#### **Contact the License Commission for more information**

For further information or questions regarding this publication, please contact Corey R. Pilz, Consumer Information Specialist, at (617) 349-6150 or cpilz@cambridgema.gov.

**Updated: October 2011**